

Michael R. Brown, Chairman
Kevin S. Carter, Director

Agenda for Board of Trustees
School & Institutional Trust Lands Administration
675 East 500 South, Salt Lake City, Utah
June 28, 2012

AGENDA

Attending:

Board

Mike Brown
Dan Lofgren
James Lekas
Louis Cononelos
Mike Mower

Staff

Kevin Carter
Kim Christy
Tom Faddies
LaVonne Garrison
Lisa Schneider
Dave Hebertson
Ron Carlson
Eric Baim
Doug Buchi
Tom Mitchell
Wendy Petersen
Sonja Wallace
Will Stokes
Nannette Johnson

Others in Attendance:

Margaret Bird, Utah State Office of Education
Tim Donaldson, Utah State Office of Education
Paula Plant, Utah State Office of Education
Mark Burns, Attorney Generals' Office
Judy Fahys, Salt Lake Tribune
Ryan Pleune, Citizen
Lynda Belnap, Honored Guest
Professor Robert Gillies, USU, Climate Center

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Chairman Brown opened the meeting and excused Board member Dave Ure from attendance at the meeting and indicated Mike Mower will arrive shortly after starting the meeting.

1. Approval of Board Minutes

The Board approved the minutes of May 17, 2012.

“I move that the Board approve the minutes of May 17, 2012.”

Lofgren/Cononelos Unanimously approved

Roll Call:

Mike Brown – yes	Dan Lofgren – yes
James Lekas – yes	Louis Cononelos – yes
Steve Ostler – yes	

2. Confirmation of Upcoming Meeting Dates

The Board, without motion, confirmed the following upcoming meeting dates:

July	No Meeting
August 16	Salt Lake City
September 6	Salt Lake City
October 10 - 11	Board Tour-Moab & LaSals Meeting in Moab
November 8	Salt Lake City
December	No Meeting

Mr. Cononelos will not be available to attend the October tour and meeting.

Director Carter reminded Board members there is still time to register for the Western States Land Commissioners Association Conference in Eugene, Oregon, July 8-12, 2012.

3. Director's Report

a. Public Discussion

Professor Robert Gillies of USU Climate Center presented a PowerPoint presentation on the difference between climate change and global warming. The presentation illustrated a historical pattern for the world and indicated the same pattern is relevant to Utah.

Chairman Brown thanked Professor Gillies and asked if the research relates the warming trend to anthropogenic events. Professor Gillies indicated some studies have shown that shifts in climate primarily focused on anthropogenic events, while his presentation focused on environmental changes from the 1950s.

Director Carter talked about the variances and anomalies over time. He speculated the data sets have changed exponentially and asked how the mean was measured in 1880. He asked where the confidence comes from for the data set measured in 1880. Professor Gillies indicated that the information comes from a huge scientific body of work that is well studied and critiqued to create published works.

b. Lake Mountain [and other] Updates

Director Carter presented an update on the response to shooting near a home by Utah Lake that is putting home owners at risk and triggering fires in the area. SITLA cannot deny access to land for shooting. However, statute allows the agency to restrict access for protecting the land from damage. Discussions on the problem are resulting in closure of the single road on SITLA property. The BLM is closing

3. Director's Report (Cont'd)
b. Lake Mountain [and other] Updates (Cont'd)

access to their land. The private landowner, with the assistance the Lowery family, posted no trespassing signs. The area is no longer considered available for shooting.

Mike Mower asked if the Director thought SITLA should have the right to enforce no shooting on trust lands. Director Carter expressed being more comfortable with the State Forester having the authority. SITLA does not have the means to enforce regulatory measures.

Fires. Director Carter provided an overview of fires burning in the state and the impact on trust lands. He noted the agency website provides maps showing boundaries of current and recent fires. Due to the large number of fires this year, there will likely be discussions on fire suppression costs for the agency.

The **Hill Creek Exchange** passed unanimously in the House. The bill was read twice in the Senate and referred to the Committee of Energy and Natural Resources. There may be a change to the Committee of Indian Affairs for presentation to the Senate. Either way, the agency will prepare for a hearing in the Senate. There is hope for an omnibus bill in the lame duck session that would involve a number of bills put together to be passed as a package.

stopSITLA represents a group that was denied a mineral lease because the group uses inappropriate means to market the leases. The group was leasing land and then selling new leases online that did not portray proper location and definition of the lease. The stopSITLA group retaliated with a website that has many untruths and a few half-truths. The site includes unattributed quotes.

Mike Mower met with the stopSITLA group in response to their request to meet with the Governor. Mr. Mower recommended the group meet with Margaret Bird of the School Trust Program because of their claim that SITLA cost the schoolchildren of the State of Utah four-million dollars. The group was told the Board of Trustee's meeting is an open and public meeting. If they are on the agenda, they can present to the Board. He indicated these are serious allegations in need of a response.

Margaret Bird asked if libel charges could be filed against a group. No legal response was provided at the meeting. SITLA is adding a page on the agency website to respond to the claims by stopSITLA.

Sage Grouse Update. The term, "Warranted by Precluded Status," used in reference to sage grouse, means that listing was warranted but there was not sufficient time or resources to accomplish the listing. The concern for the future of sage grouse led to a west-wide effort to seek alternatives. Wyoming's plan protects 85% of birds. The remaining 15% in Wyoming represent more than all the birds found in Utah. However, Utah areas are still considered critical. Specifically, Diamond Mountain and Parker Mountain are both critical areas.

Director Carter presented an illustration of boundaries for sage grouse management. The areas outside of the boundary would not be restricted. SITLA pushed for availability of development in areas with billions of dollars of resources. Other areas are not as workable for mineral development and will have greater regulation of sage grouse. The biggest threat would be a wildfire that would significantly influence the evolving sage grouse plans.

Ultimately, Governor Herbert will review the recommendation. Then, if the Fish and Wildlife Service accepts the plan, it is likely BLM will accept the plan for resource management in Utah. The committee's recommendation will become the governing strategy for sage grouse.

4. Chair's Report

a. Request for Decision in Rocky Mountain Power's Motion to Stay Proceeding

Matt Moscon reminded the Board of the motion asking the Board to stay the formal adjudication process pending lawsuits in state court. The stay of proceedings would allow everyone to learn if the court takes up the condemnation. The work by the Board and another hearing examiner will be moot if condemnation action prevails.

If the Board does not start proceedings for a few months, it does not prejudice anyone. He suggested the Board simply stay the proceedings and re-calendar after a ruling by trial court.

The objection to appointment of Mr. Gee as the hearing examiner is moot, as Mr. Gee has withdrawn.

Tom Mitchell, as legal counsel to the agency, reported no objection to a temporary stay. He added the agency would object to a permanent stay. The agency is willing to review the matter in a few months.

Mr. Lofgren asked what interest is there in having the Board wait.

Mr. Moscon indicates the wait would avoid duplication of efforts and wasted time.

Mr. Mower asked if two months was a reasonable delay.

Mr. Moscon said he anticipates the argument will be heard in August but a decision has an unknown timeline. He recommends a three-month delay.

"I move that the Board go into closed session for the purpose of discussing strategy for pending or reasonably imminent litigation."

Lofgren/Ostler Unanimously approved

Roll Call:

Mike Brown – yes	Dan Lofgren – yes
James Lekas – yes	Mike Mower – yes
Louis Cononelos – yes	Steve Ostler – yes

The Board went into closed session at 9:55 a.m. Present in the closed session were the six Board members; Mark Burns, attorney for the Board; and Nannette Johnson, staff to the Board. The closed session ended at 10:03 a.m.

"I move that the Board return to open session."

Lofgren/Cononelos Unanimously approved

Roll Call:

Mike Brown – yes	Dan Lofgren – yes
James Lekas – yes	Mike Mower – yes
Louis Cononelos – yes	Steve Ostler – yes

Upon return to open session, Dan Lofgren made the motion for the Board to stay proceedings.

"I move that the Board stay proceedings for a period of two-months, which means the topic will come back to the agenda for the August 16 meeting, for review and disposition at that point."

4. Chair's Report (Cont'd)
a. Request for Decision in Rocky Mountain Power's Motion to Stay Proceeding (Cont'd)

Lofgren/Lekas Unanimously Approved

Roll Call:

Mike Brown – yes	Dan Lofgren – yes
James Lekas – yes	Mike Mower – yes
Louis Cononelos – yes	Steve Ostler – yes

Chairman Brown stated for the record that the order for hearing examiner is still valid. Mark Burns indicated Mr. James Lee is available August 1, 2012, to act as the Board's hearing examiner.

The Board chose to change the order of items 4. b. and c. to address real estate before compensation.

b. Agency Office Building

Mr. Mower made the motion that the Board go into closed session.

"I move that the Board go into closed session for a strategy session to discuss the purchase, exchange, lease, or sale of real property."

Mower/Ostler Unanimously Approved

Roll Call:

Mike Brown – yes	Dan Lofgren – yes
James Lekas – yes	Mike Mower – yes
Louis Cononelos – yes	Steve Ostler – yes

The Board went into closed session at 10:05 a.m. Present in the closed session were the six Board members, Kevin Carter, Doug Buchi, Rodger Mitchell, Eric Baim, Margaret Bird, Tim Donaldson, Paula Plant, and Nannette Johnson. The closed session ended at 10:20 a.m.

"I move that the Board return to open session."

Lofgren/Cononelos Unanimously Approved

Roll Call:

Mike Brown – yes	Dan Lofgren – yes
James Lekas – yes	Mike Mower – yes
Louis Cononelos – yes	Steve Ostler – yes

Upon return to open session Mr. Buchi indicated the development group will follow-up on the direction provided by the Board.

c. Compensation Discussion

Following a short break, Mr. Mower made a motion for the Board to go into closed session.

"I move that we go into closed session for the purpose of discussing the character and competence of an individual and the discussion of proprietary information."

Mower/Ostler Unanimously Approved

4. Chair's Report (Cont'd)
c. Compensation Discussion (Cont'd)

Roll Call:

Mike Brown – yes	Dan Lofgren – yes
James Lekas – yes	Mike Mower – yes
Louis Cononelos – yes	Steve Ostler – yes

The Board went into closed session at 10:30 a.m. Present in closed session were six Board members. Joining the closed session at 10:50 a.m. were Margaret Bird, Tim Donaldson, and Paula Plant. Director Carter joined closed session at 11:05 a.m. The closed session ended at 11:44 a.m.

“I move that the Board return to open session.”

Lofgren/Cononelos Unanimously Approved

Roll Call:

Mike Brown – yes	Dan Lofgren – yes
James Lekas – yes	Mike Mower – yes
Louis Cononelos – yes	Steve Ostler – yes

Upon return to open session Chairman Brown recognized the state offered 1% increase to all state employees. The Board determined the increase should also apply to Director Carter.

“I move that the 1% increase for state employees apply to Director Carter's compensation.”

Lofgren/ Cononelos Unanimously Approved

Roll Call:

Mike Brown – yes	Dan Lofgren – yes
James Lekas – yes	Mike Mower – yes
Louis Cononelos – yes	Steve Ostler – yes

d. Beneficiary Report: Review of Board Policies

Tim Donaldson used the metaphor of a three-legged stool and the need for balance on all three legs to be functional. He presented the roles of the administration, the board and the beneficiaries as the three components that need to work together for balance. He defined the administration as having clear policy while recommending expansion of policy for the functions of the board and the beneficiaries. He closed his presentation with a recommendation that the board appoint a subcommittee to address policy for the board and beneficiaries.

Chairman Brown asked if multiple committees might address the varied policies separately. Dan Lofgren recommended taking topics that are time-critical and address those first.

Chairman Brown asked Mr. Donaldson to distribute the list of potential policies to Board members for consideration and committee review over time.

Director Carter mentioned a time when the Board was in an adjudicating role and responding to a challenge from a conservation group, in which, there was a presentation on long-term and short-term assets. He recalled it as a useful and interesting report that would be good to hear again in relation to the review of policies.

Additional Agenda item - Election of Officers

Chairman Brown accepted nominations for a new chairman of the Board.

“I move that Dan Lofgren become the chairman of the Board.”

Mower/Cononelos Unanimously Approved

Roll Call:

Mike Brown – yes	Dan Lofgren – yes
James Lekas – yes	Mike Mower – yes
Louis Cononelos – yes	Steve Ostler – yes

Dan Lofgren will become the chairman of the Board effective July 1, 2012.

Chairman Brown entertained motions for a new vice-chairman.

“I move that Steve Ostler become vice-chairman of the Board.”

Lofgren/Lekas Unanimously Approved

5. Consent Calendar

No consent items

Notification

a. Amangiri Resort Additional Land Acquisition

No comments

b. Land Exchange No. 351 with Division of Wildlife Resources

No comments

c. Negotiated Sale to Collard Farms, PS 8490

No comments

Follow-up after Six Months

d. Update on Foundation Energy OBA

No comments

6. Appreciation for Chairman Michael Brown

Director Carter referred to the tradition of recognizing six years of service to the community and administration as the valuable role of Board members. Chairman Brown received a framed map of trust lands in the State of Utah. A gift certificate was also awarded in appreciation for Michael Brown's commitment to his appointment.

Chairman Brown shared his experience of six years ago when Mr. James Lee told him the key to being a good Board member is to be there and to participate. The Chairman identified the past six years as a time he will always think of as some of his most rewarding times. He expressed appreciation to “rub shoulders” with his fellow Board members. He felt it was a tremendous blessing to meet the staff and to see incredible things happen for the school kids of Utah. He emphasized the sense of gratitude for the opportunity to be part of the experience.

Dan Lofgren thanked Chairman Brown for his example of passion and professionalism. He indicated he is keenly aware of Chairman Brown's personal contribution that made a difference.

Upon motion by Mr. Cononelos, the meeting adjourned at 11:58 a.m.